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Report of the Task Force on International Trade Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-third session,** the Secretary-General has the honour to transmit the report of the Task Force on International Trade Statistics. The Commission may wish to comment on the work and plans of the Task Force, in particular the proposed development of a manual on international trade index numbers.

* E/CN.3/2003/1.
** See *Official Records of the Economic and Social Council, 2002, Supplement No. 4* (E/2002/24), chap. I, sect. A.

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Report of the Task Force on International Trade Statistics[1]

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I. Follow-up to requests by the Commission

1. The Commission last addressed international merchandise trade statistics at its thirty-first session, at which it:[2]

(a) Restated its request that the treatment of electronic commerce in international trade statistics be clarified, particularly in terms of defining its coverage and methods of data collection. The Commission noted that the issue would be addressed at the next meeting of the Task Force and in the compilers' manual that was being prepared;

(b) Welcomed the data set of international trade statistics according to the Central Product Classification (CPC) produced on a CD-ROM by the United Nations Statistics Division for test use by economists and statisticians, and requested the Division to report back to the Commission on the reaction of users as part of a review of the usefulness of CPC data for analytical purposes;

(c) Expressed concern that the liberalization of trade and the consequent reduced incentive to secure accurate records of trade transactions could have a negative impact on the quality of international trade statistics. The Commission requested the Task Force to address that issue, to consider the alternative sources of international trade statistics to supplement the customs-based data, and to reflect the outcomes in the compilers' manual.

A. Electronic commerce

2. The Task Force discussed the impact of e-commerce on international trade statistics. Goods ordered online but declared at customs for cross-border passing should be treated in the same way as any other good, following the recommendations made in the *International Merchandise Trade Statistics, Concepts and Definitions, Revision 2* (IMTS, Rev.2). Responding to the significant increase in small parcel shipments through online ordering, customs authorities have reacted with increased scrutiny, which promotes statistical coverage. The treatment of digitized products, however, is considered outside the scope of IMTS, Rev.2 and the forthcoming compilers' manual. The question is whether those products are considered goods, services, or a new category. To explore that issue further, the Task Force considered it of interest to collect information on country practices, and also felt that collaboration with other groups would be appropriate. The Task Force suggested, therefore, that the next meeting of the Organisation for Economic Cooperation and Development (OECD) on international trade statistics, to be held in April 2003, take up that issue in an overlapping session with the OECD trade in services meeting.

B. International trade statistics according to the Central Product Classification

3. The Division produced a CD-ROM containing trade data for selected countries according to CPC and circulated it to about 30 countries and 13 international organizations. The feedback received, however, indicated no strong demand for those data at that time. It was therefore decided not to reproduce the CD-ROM.

C. Alternative trade data sources

4. Chapter 4 of the forthcoming compilers' manual includes a description of non-customs sources for data collection.

II. Other outcomes and activities

A. Compilers' manual

5. The compilers' manual has been completed and is in the editing and translation process at the United Nations; it is to be issued in 2003. The Division is holding regional seminars to accompany the issuing of the manual. A supplement to the manual is planned, which will include country studies and other materials and will deal with issues not fully treated in the compilers' manual.

B. Flow of data among international organizations

6. OECD and the United Nations Statistics Division have further enlarged their data-sharing agreement. At the time of the last Task Force meeting, in March 2002, that arrangement had been implemented for all but seven OECD countries (Mexico, the United Kingdom, the United States, Greece, Denmark, Austria and Australia). After consultations in October 2002, the Division and OECD agreed that the Division would source from OECD the remaining countries, except Mexico (which is sourced through the Economic Commission for Latin America and the Caribbean) in 2003. The ultimate goal remains to extend that common data sourcing to common data-processing procedures.

7. The Division continues to source its aggregate exports and imports data from the International Monetary Fund (IMF) as published in the IMF monthly *International Financial Statistics*.

8. To facilitate the use of detailed harmonized data produced by the Statistical Office of the European Communities (Eurostat) for the European Union (EU), the Division is now storing and updating those data in the Commodity Trade Statistics Database of the Division (Comtrade) format on the mainframe at the International Computing Centre. Eurostat is supplying those data to the Division on a regular basis. A number of agencies are now publishing the harmonized data for the EU in varying degrees of detail.

9. The members of the Task Force have continued using their contacts with countries to improve the coverage of Comtrade. In addition, the Task Force recognized that there is often a considerable time-lag between data release at national level and data receipt at international level, which can have a significant impact on the soundness of the international trade data fed into global policy analysis. Statistics produced for the 2001 OECD international trade statistics meeting showed that generally less than 50 per cent of foreign trade data of OECD members were submitted within the first six months after the corresponding reference year. A joint statement by the World Trade Organization (WTO)/OECD/United Nations Statistics Division brought that time-lag issue to the attention of the data providers present. Since then, an improvement in the gap

between release data and submission data for some significant traders has been observed.

C. Statistical Territories of the World for Use in International Merchandise Trade Statistics

10. The publication has been issued. The Task Force suggested including customs unions that publish aggregate trade data in the next revision of the publication.

D. Simplification of data elements in customs procedures

11. Following the "G7 customs data harmonization initiative", the Task Force investigated the impact of the standardization and simplification of customs data elements on statistical requirements. It came to the conclusion that the streamlining of the data elements would not result in a loss of statistical information.

E. Harmonized Commodity Description and Coding System

12. The World Customs Organization has informed the Task Force that the 2007 revision has already started and that the high technology area, i.e., chapters 84, 85 and 90, would be revised in detail. The Task Force noted that the cumulative revisions in the Harmonized System may call for the preparation of a fourth revision of the Standard International Trade Classification, for use in 2007.

F. Technical assistance

13. The Task Force regularly exchanges information on technical assistance activities. With a view to ascertaining the feasibility of joint activities, Task Force members agreed to post their annual technical assistance activities to the Task Force's electronic discussion group forum. A number of joint activities have been carried out.

14. The Task Force discussed and provided comments to IMF on the newly developed data quality framework on international merchandise trade statistics. Such a framework could serve twofold purposes, that is, the identification of technical assistance needs of countries and the evaluation of technical assistance activities.

G. Index numbers of international trade

15. The United Nations Statistics Division collected information on national practices in compiling and disseminating index numbers of merchandise trade. The results of that survey will be issued as a United Nations publication (a draft of the publication is under final review). The Task Force identified the need for a manual on international trade indices. Such a manual could be developed through an inter-agency effort. IMF agreed to explore the possibility of leading that effort.

H. Inter-agency data set on aggregate merchandise trade

16. The Task Force has agreed to collaborate in the development of a joint data set on aggregate merchandise exports and imports. It is envisaged to jointly disseminate the common data set, similar to the Bank for International Settlements/IMF/OECD/ World Bank data set on external debt, through a trade portal on the Internet. The principal objectives of that collaborative effort are to bring about significant improvements in the coverage, consistency, comparability and transparency of aggregate merchandise trade statistics available for analysts, policy makers and other users, and to provide national authorities with the possibility of reviewing the use of their data in an international context. A project statement and initial work breakdown structure have been developed and agreed upon. A first prototype core data set, covering the period 1995-2001, is to be finalized among the initial data providers (United Nations Statistics Division, United Nations Conference on Trade and Development, OECD, WTO) by the end of March 2003. The Task Force meeting planned for April 2003 will then review the core data set, confirm the country allocation among international organizations and address dissemination. The data set will be developed further on an incremental basis.

I. Meta-data in international trade statistics

17. Within the context of enhancing data quality and timeliness, the Task Force discussed the issue of meta-data. OECD volunteered to propose draft terms of reference for a possible Task Force project on statistical meta-data, drawing on progress made in that area within OECD's new statistical strategy.

III. Points for discussion

18. The Commission may wish to comment on the work and plans of the Task Force, in particular the development of a manual on trade indices.

Notes

[1] Prepared by the World Trade Organization (Convener).

[2] See *Official Records of the Economic and Social Council, 2000, Supplement No. 4* (E/2000/24).